



City of Nashua, New Hampshire

**REQUEST FOR PROPOSAL
RFP0052-100412**

SPECIFIED BANKING SERVICES

TO THE

CITY OF NASHUA, NEW HAMPSHIRE

Issued: August 30, 2012

Proposal Submission Deadline: 4:00 PM, October 04, 2012

All submissions should be labeled RFP# 0052-100412

Attention: Sandra Desharnais

BANKING SERVICES

Purpose

The City seeks proposals to receive a wide variety of services from a selected bank for government banking services as set forth in more detail within this RFP.

Pursuant to NRO 5-53-A and City Charter sections A-835 and 52, the City of Nashua's Treasurer/Tax Collector ("Treasurer") is soliciting pricing proposals from banking service providers ("Bank(s)") for specified high volume/high-cost treasury banking services. The City Treasurer may or may not enter into an arrangement with a single bank for all of the services described in this Request for Proposal ("RFP") and reserves the right to make final selections based on criteria other than pricing. Furthermore the City Treasurer is under no obligation to change any of the services currently being provided by banks as a result of this RFP. Subsequent RFP solicitations may occur in the future at the discretion of the City Treasurer as needed. It is expected that banks will commit to pricing proposals for a 3-year-period and that anticipated pricing increases during the term, if any, will be identified in the bank submission with regard to both timing and magnitude.

Proposals shall be received by the City Treasurer no later than 4:00 p.m. (Eastern) on October 04, 2012 so that the winning Bank may be selected on or before November 1, 2012 and any necessary technology conversions and training can commence on or about November 12, 2012. It is expected that any conversion of services will be completed on or about November 26, 2012.

SECTION I: SCOPE AND REQUIREMENTS OF SERVICE

In its review of current banking services, the Treasurer of the City of Nashua has identified specific services that are performed in high volume and are, therefore, significant factors in the City's overall cost of banking services. These services are listed on Exhibit A of this RFP along with the average annual activity volumes for the period of twelve months.

Account Information: Attached to this proposal is Exhibit A, which summarizes a variety of account statistics for both the general fund and the payroll account.

In addition to unit pricing quotes in Exhibit A, as part of its response, the Bank should provide a detailed description of and costs related to its security controls, technology requirements, and system access requirements for these services, as well as other considerations impacting unit pricing. The services to be bid are described as follows:

1. A zero-balance payroll account. Full account reconciliation services shall be provided, including 'positive pay.'
2. Check items deposited
3. Deposits
4. Checks paid
5. Coin and currency deposited
6. Deposit reconciliation per location
7. Full account reconciliation per Positive Pay item
8. Positive Pay transmittal input per item
9. The original monthly account statement(s) reflecting the last business day of each month must be sent to the City Treasurer's Office no later than the 10th day of the following month. The monthly statements shall include all activity, deposits, paid items and fee items, including all investments.
10. The City must be provided with a disk or similar medium each month that includes all checks paid (both front and back) no later than the 15th of the following month for both the operating and payroll accounts. The City will provide its own checks.
11. Deposit bags, deposit slips, bill bands, and bill and coin wrappers will be provided at no cost.
12. Availability of corporate credit cards (limited) with no annual fee. These cards are currently used by several key positions within the city for travel expenses and purchasing of specialty items (P-cards may be used as a

substitution). It is the intent that the purchasing of products will be done through P-cards.

13. Availability of a Purchasing Card (P-Card) system. The City of Nashua has recently converted to new financial software (Lawson), which allows for the use of a P-Card system. The city requires the capability to issue cards to specific departments and employees in order to allow for many different types of purchases but also needs to be able to restrict certain types of items to be purchased. The city anticipates that initially approximately \$2 million will be processed through the P-card system within the first twelve month period, with an increase in the following years. Describe how the following services will be provided:
 - a. Online card management process: new card issuance, deletion, replace, modify, etc.
 - b. Settlement terms/billing cycle options
 - c. Payment options
 - d. Card control and usage restriction options
 - e. Information reporting capabilities – paper vs. electronic and associated audit trails for transactions
 - f. **Rebates for purchases**
 - g. Technical capabilities – Internet
 - h. Error resolution and customer service capabilities
 - i. Security features – including account number encryption policy
 - j. System requirements
 - k. Interface options with internal financial system(Lawson), specify interface requirements
 - l. Fraud policy

14. Provision for retail (automated) lockbox services for the receipt of payments related to the following: property taxes; wastewater services; and motor vehicle registrations. The city may also need to expand lockbox services in several areas.
15. Provision for credit card processing services, with any costs related thereto to be stated separately.
16. Describe any bank-at-work programs that you would make available to the City employees and the benefits they would derive from such programs.
17. Provisions for online services including balance reporting and transaction initiation service.
18. Availability of Armored Car Services with a minimum requirement of one location daily and the possibility to include additional pick-ups.

Minimum Qualifications: Pursuant to RSA 6:7, a qualifying bank must be federally insured, chartered under the laws of New Hampshire or the federal government, and maintain a branch within the state. Other current qualification criteria for the RFP include:

- A. Minimum equity capital of \$1 billion; and
- B. A minimum Veribank equity test rating of Yellow and star rating of two stars combined with the ability to provide deposit collateralization coverage up to \$175 million; and
- C. A Community Reinvestment Act (CRA) Rating of Satisfactory or better.

SECTION II: PROPOSAL SPECIFICATIONS

Proposals submitted in response to this request must include the following information:

1. The proposal shall be organized exactly in the order in which the requirements are presented in Exhibit A.
2. A recommendation and detailed description of the investment structure, including how securities will be invested, time frame requirements,

collateralization and perfection of securities, all in accordance with New Hampshire RSA 41.29.IV.

3. Proposals shall be signed by the representative of the Bank who is authorized to bind the Bank to all unit service prices contained in the response. All information requested should be submitted in a single package that conforms to the format of Exhibit A, with supporting technology services and costs, as well as other considerations impacting pricing (described in Scope of Services), clearly identified and referenced in an attachment to Exhibit A. Failure to submit all information requested may result in the Treasurer requiring prompt submission of missing information and/or lowering the evaluation of the proposal. Proposals which are substantially incomplete or lack key information may be rejected by the ***Selection Committee***, at its sole discretion.

Clarification of Request: To the extent that a bank does not recognize or understand a service description provided by the Treasurer, it may contact the Treasurer's assistant or the Treasurer listed below under Section III, (2) by email or telephone to clarify.

Appendices, Data and Other Submissions: Include any clearly referenced appendices, data and other submissions necessary to support your proposal, including the scope and cost of technology services associated with conversion or implementation and other considerations that impact pricing.

4. Evidence of experience in servicing other municipal accounts, including investments and references from three municipal clients of comparable size to the City.
5. A description of the bank's policies, procedures and fees concerning stop payments, including the liability the bank is willing to assume following a stop payment order.

SECTION III: PROPOSAL TERMS AND SUBMISSION

1. The City anticipates entering into a three (3)-year contract for banking services, with a two (2)-year option to extend the contract. It is anticipated that the contract will run from December 1, 2012 through June 30, 2015. Either party may terminate the contract upon giving 60 day advance written notice to the other party.

2. To be considered, Banks must submit a complete response to this RFP. One (1) original and give (2) copies of each proposal must be submitted to:

Sandra Desharnais, Administrative Assistant
City of Nashua
229 Main Street
Nashua, NH 03060

In addition, an electronic version in a PDF format may be sent via e-mail or on a CD.

3. Responses shall be limited to two (2) pages of unit cost quoted per Exhibit A plus appendices on 8 ½ by 11 inch paper using at least 12 point type. Faxed proposals will not be accepted. It is the sole responsibility of the Banks responding to this RFP to ensure that their responses arrive at the designated location by the due date. Any cost associated with developing or delivery of this proposal is entirely the responsibility of the Bank submitting a proposal.
4. The City is a public agency and its records, including responses to this RFP, will be deemed a public record and subject to public disclosure under the State's Right-to-Know laws, pursuant to New Hampshire Statute RSA 91-A, after the successful bank is selected. Information in the responses considered by the Bank to be confidential and proprietary **should be clearly identified and easily separable**. Any public disclosure restrictions should be clearly explained.
5. If the Bank is selected to give an oral presentation, such Bank shall provide additional copies of its proposal as may be requested. Oral presentations are an option of the Treasurer and may or may not be conducted. If conducted, oral presentations will be held in Nashua, New Hampshire. Any expense incurred is entirely the responsibility of the Banks being selected for oral presentations.
6. The City reserves the right to reject all responses and other proposals with or without modifications to this request.
7. A Bank may withdraw their response by notifying the Treasurer in writing at any time prior to the deadline for the submittal of proposal.

After the deadline, responses, once opened, become the property of the Treasurer and will not be returned to the banks.

8. All prospective bidders must send an e-mail by September 14th stating their intent to respond to this RFP to Mr. David G. Fredette via e-mail at the address listed in Item 2 above. This notification must include, but is not limited to, the name, title, telephone number, and e-mail address of the contact person at the bank for the sole purpose of participating in and receiving additional communications from the Treasurer as described in the following item (#9).
9. All questions by prospective bidders concerning any aspect of this RFP must be directed to Mr. David G. Fredette via e-mail no later than 5 days prior to the submission deadline. No communication with any other City employee is allowed to take place regarding this RFP during the RFP process. An exception will apply only to individuals of a firm or firms that currently provide these services to the City, but such contacts are limited solely to an existing contract. All questions submitted by prospective bidders and corresponding answers provided by the Treasurer shall then be communicated simultaneously via e-mail to each contact person pursuant to the requirement as stated above in item (8).

SECTION IV: EVALUATION PROCESS

All responses received will be reviewed and evaluated by a Selection Committee (Committee). The Committee will recommend the proposal which meets all of the requirements of this RFP and most closely meets the requirements of the Treasurer based on the following criteria:

1. Proposed cost of services;
2. Soundness of approach in providing products and services utilizing industry standards which is secure and compatible with the City's current Information Technology platforms.
3. Additional costs, if any, associated with item 2 above; and
4. Ease and cost of transition of services from a previous vendor bank.

SECTION V: AWARE OF SERVICES AND OTHER REQUIREMENTS

Review Process: After reviewing the proposals, the Committee retains the right to conduct interviews, before awarding banking services relating to the proposed cost of service and associated technology and security. The Treasurer also retains the right, however, to award a service agreement based solely upon the written proposals received within prior discussions or negotiations.

If selected for an interview, each finalist would be notified of the date and time of their interview at the City in Nashua, New Hampshire. The interview should continue to demonstrate the Bank's ability to provide the required services. The proposed engagement lead, as well as any other key personnel who would be responsible for providing financial advisory services to the Treasurer, including key back-up and technology personnel, should be present and participate in the interview. The purpose of the interview is to impart to the Committee an understanding of how specified services will be delivered.

Further information with regard to the format of this stage of the evaluation will be provided to the finalists prior to their interview. The interview will be evaluated on the basis of whether it substantiates the characteristics and attributes claimed by the Bank in the written response to the RFP.

Ethics in Public Contracting: By submitting their responses, Banks certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Bank, supplier, manufacturer or subcontractor in connection with their response, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services, present or promised unless consideration of, substantially equal or greater value was exchanged.

Mandatory Use of Treasury Form, Terms and Conditions: Modification of or additions to any portion of the RFP may be cause for rejection of the response; however, the **Committee** reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a response as nonqualifying. As a precondition to its acceptance, the **Committee** may, in its sole discretion, request that the Bank withdraw or modify nonresponsive portions of a proposal which do not affect quality, quantity, price, or delivery.

Qualification of Banks: Notwithstanding the minimum qualifications cited in Section II, the Treasurer may make such reasonable investigations as deemed proper and necessary to determine the ability of the Bank to perform the work/furnish the item(s), and the Bank shall furnish to Treasury all such information and data for this purpose as may be requested. The Treasurer further reserves the right to reject any response if the evidence submitted by, or investigations of, such Bank fails to satisfy the Treasurer that such Bank is properly qualified to carry out the service and to complete the work/furnish the item(s) contemplated therein.

Proposal Acceptance Period: This proposal shall be binding upon the Bank for ninety (90) calendar days following the due date for the submission of proposal. If the proposal is not withdrawn at that time, it remains in effect until an award is made or the solicitation is canceled. Any response on which the Bank shortens the acceptance period may be rejected.

Service Fee Negotiations: The Treasurer reserves the right to negotiate with the selected Bank over the proposed fee and fee structure presented in the response before awarding any service. The city may reject any or all of the bids on any basis and without disclosure of a reason. The failure to make such a disclosure shall not result in accrual of any right, claim, or cause of action by any unsuccessful bidder against the City of Nashua.

Exhibit A page 1 of 2

**Summary of General Fund and Payroll Statistics
High Volume Annual Uses Only**

<u>Banking Services</u>	<u>Volume</u>
Checks and Items Paid	56,637
Deposits	6,137
Items Deposited	225,898
Deposited Check Return	370
Redeposited Items	498

<u>Coin & Currency Services</u>	<u>Volume</u>
Currency Deposited	38,868

<u>Retail Lockbox</u>	<u>Volume</u>
Retail Lockbox per Check	104,304
Retail Lockbox per Invoice	118,047
Mail Delivery - Correspondence	5,219
Processing - Correspondence	2,102
Processing - Unprocessables	3,080
Processing - Reject Repair	9,106
Decision Module Capture and Repair	7,943
Imaging - Item Capture	180,080

<u>Check Reconciliation</u>	<u>Volume</u>
Full Recon per Check Paid	

56,303

Transmission Input per Item 58,432

Exhibit A page 2 of 2

<u>Zero Balance Service</u>	<u>Volume</u>
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Zero Balance Account Processing	2,034
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<u>Ach Service</u>	<u>Volume</u>
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ACH per Credit	118,952
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ACH Received Credits	1,209
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ACH Transaction Charge WEB	1,924
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